

As of November 22, 2006

Summary of the Insurance Capital Build-Up Incentive Program

Total New Policies **1,534,576** expected to be written -- an average of 383,644 per year for the next four years (from the insurer's business plan):

2006 – 381,793
2007 – 609,076
2008 – 294,487
2009 – 249,220

STATUS OF SURPLUS NOTE PROGRAM:

Note that the State Board of Administration (SBA) has a new company applying for the 2 to 1 match – **Sunshine State Insurance Company**, which was received on 10/26/06. They are putting up \$28.4 million and are requesting a surplus note of \$14.2 million. They do not want the money until March 31, 2007.

The total amount requested now stands at **\$244.7 million (11 companies)**.

RESULTS THUS FAR:

The SBA has executed the Surplus Note with five (5) insurers:

St. Johns Insurance Company (\$20 million),
Southern Fidelity Insurance Company (\$25 million),
United P&C Insurance Company (\$20 million),
Universal P&C Insurance Company (\$25 million)
American Capital Assurance Corporation (\$25 million).

This represents a total of \$115 million (and a matching amount of New Capital has been contributed). TOTAL NEW MONEY \$230 Million

Two (2) other companies below have been approved:

Royal Palm Insurance Company – The company was approved on 11/1/06 for \$25 million. The SBA is waiting on the company to deposit its new capital contribution and execute the Surplus Note.

Florida Peninsula Insurance Company -- The company was approved on 11/1/06 for \$25 million. The SBA is waiting on the company to deposit its new capital contribution and execute the Surplus Note.

There is one company which asked to not be interviewed until after the first of the year – **Florida Family Insurance Company**.

Of the remaining two (2) companies (Cypress P&C Insurance Company and HomeWise Insurance Company), all have been interviewed and there are a few issues which are being resolved.